

Small Business Advisory Council Meeting

Minutes

December 5, 2012

Call to order: Alternate Chair Eric Mandell called the meeting to order at 1:02 pm.

Attendance: The meeting was attended in person by the following SBC members: Rich Dryden, Randall Martinez, Stephen Simpson, Tracy Stanhoff, Patricia Linn, Laura Harris, Betty Jo Toccoli, Renee White Fraser, Lori Kammerer, John Arena, Ken Ashford and Valerie Miles.

The following SBC members attended via webinar: Linda Sarno, Doug Eldridge, Evelyn Graham, Holly Parks, Don Stoneham, Steven Galvez, Ken DeVore, and Jerry Bircher.

The following SBC members were absent: Council Co-Chairs Jim Butler and Aubry Stone, Savita Farooqui, Paul Guerrero, Tom Crawford, Ruben Guerra, Stacey Heater Divine and James Brady.

The following DGS representatives were in attendance: Alternate Chair Eric Mandell, Catrina Blair, and Tasha Nomura-Stewart.

Special guest included: Kathy Hicks and Kelly Holtz of Department of General Services, Fiscal and Carol Louscutoff, all who participated via webinar.

Welcome and Opening Remarks

Alternate Chair Eric Mandell thanked Catrina Blair and Tasha Nomura-Stewart, of the DGS, for organizing the meeting and thanked SBC members, Ken Ashford and John Arena for hosting lunch and the meeting. Mr. Mandell wished everyone happy holidays. He stated two members sent their regrets: Both Council Co-Chairs Jim Butler, who had to stay back in Sacramento, and Aubry Stone, who had a prior obligation.

Mr. Mandell stated that this meeting was Randall Martinez's last and he gave a round of applause for all his help with the council. He then asked the council to introduce themselves as there were several new members in attendance.

Ms. Renee White Fraser stated this would be her last meeting, though there would be another representative to take her place. Mr. Mandell thanked her for her service on the council.

Approval of September 12, 2012 Meeting Minutes

Mr. Mandell asked for a motion to approve the minutes. Motioned by Renee White Fraser; second by Sandy Cajas. Motion carried.

Fi\$Cal Update

Ms. Kathy Holtz presented for Fi\$Cal. She stated the pre-wave would go-live July 2013; Wave 1 would take place July 2014; BidSync would go away and Wave 2 would take its place July 2015; Wave 3 would be January 2016; and Wave 4 would take place July 16.

To view their presentation, go to:

www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/Fiscalpresentation120512.ppt

Council member Rich Dryden asked how microbusinesses would get paid when subcontracting and how would this be implemented in Fi\$Cal's version. Ms. Kathy Hicks, of Fi\$Cal stated that Fiscal would provide that transparency – done in Wave 2. Fiscal would then become the book of record and would be able to track all businesses in the system. She stated the system currently use the vendors in BidSync and would eventually be cleaned up to create one file for each business; vendors that have multiple locations will be contained in one record.

Mr. Dryden stated that the Los Angeles Unified School District had a system already in place in which a subcontractor could view contract of a prime, using their login information and see what was going on and when they would be paid. Ms. Hicks said something similar would be in the works for Fi\$Cal, but they were still designing and the topic would be addressed in the Conference Room Pilot completed in Wave 2. Council member Lori Kammerer asked who the end-users were; Ms. Hicks said there were 13,000 end users (departments that do the contracting).

Ms. Stanhoff asked when Fi\$Cal's system would go live. Ms. Holtz stated the vendor-master file was being created now and would be used by all departments in pre-wave and Wave 1. BidSync vendors that have done work within the last 18 -24 months would be already listed within the statewide vendor file. Ms. Hicks explained currently all departments must report all spend over \$5,000 in SCPRS, which should be one of the most accurate vendor files and Fi\$Cal's starting base. She then explained an update with new, current vendors that departments were working with would be added. There would be three sets of documents added to the profile: bidder (competing for work within California); vendor (awarded a contract with the state); and, applied and certified as a small business and/or Disabled Veteran Business Enterprise. In Wave 2, which will take place in July 2016, the database would be live for vendors. Wave 1 would be the starting point for businesses that are currently working with the State.

Mr. Mandell stated Fi\$Cal would help with prompt payment, as well. Ms. Stanhoff asked if training would be provided for small businesses; Ms. Hicks stated training would be provided. Mr. Bircher asked for Fi\$Cal's web address, which was:
www.fiscal.ca.gov.

Contract Update

Ms. Carol Loscutoff, of DGS, presented on behalf of the Contracts Management Unit. Her presentation provided information for contracts currently out of bid. Upcoming solicitations would be going out within the next six months.

To view her presentation, go to:

www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/CMUPresentation120512.ppt

Ms. Kammerer asked if the contracts listed were the only ones being looked at right now. Ms. Loscutoff stated that the contracts were statewide contracts and leveraged procurement agreements that were currently about to expire and needed to be rebid.

Ms. Kammerer also asked for status regarding the MRO contract, as she heard the contract would be broken up into smaller groups. Ms. Loscutoff stated she did not have a precise date on which segments would be broken up. Ms. Kammerer then asked how the items originally listed on this particular contract now were being ordered. Ms. Loscutoff stated they were being ordered through that department's delegation without using a contract. Ms. Loscutoff stated that the Council members could email her directly if they had any questions regarding any upcoming contracts at Carol.loscutoff@dgs.ca.gov.

Select Dates of 2013 Meetings

Mr. Mandell asked the council members to email Ms. Blair their preferences for upcoming SBC meeting dates by close of business, Monday, December 10, 2012.

March 6 or 13
June 5 or 12
September 4 or 18
December 4 or 11

Council member Betty Jo Toccoli stated that the June date could be an issue due to the California Small Business Day.

Deputy Director Update

Mr. Mandell stated Mr. Butler was working on the Information Technology Information Reform and explained that if any pertinent information comes up he would share with the Council.

He also explained that the DGS had been working with the California Asian Chamber of Commerce to put together a Contract Readiness Certificate Workshop. The goal was

for the DGS to provide their curriculum to various small business groups. Mr. Mandell stated the DGS would be seeking input from the Council when further in the process.

Ms. Fraser stated that usually there would be a cost for this type of certificate workshop. Ms. Stanhoff explained she was for the workshops but did not want it to be a detriment to businesses to get a contract, if they do not have the certificate. Mr. Mandell stated it would not be a requirement. Mr. Mandell said the DGS would pass along the concerns to Ms. Pat Kushida, of the California Asian Chamber of Commerce.

Discussion of Current Strategic Plan

Mr. Mandell stated Co-Chair Aubry Stone wished to have a status update regarding the remaining items of the Strategic Plan. The DGS was having some issues with the items that were highlighted because the items were still on the Governor's desk since January 2012. Mr. Mandell stated that members could address with their congress person.

He also stated the unbundling of commodities was currently going on; a third-party audit for Commercially Useful Function was completed and the findings had almost been completed, as well; the Consolidated Annual Reports was almost completed; legislative changes were being made; and there was new director of legislation. .

Betty Jo Toccoli asked about the Governor's Executive Order and suggested the council come up with a strategic plan to get his thoughts regarding the old executive order. Mr. Mandell stated the DGS could not provide any recommendations but suggested that the council members discuss the issue and come up with a solution amongst them.

Mr. Mandell touched on SB1510 regarding CUF and the re-write of regulations. He explained it was signed by the Governor to go into effect January 2013. The DGS develop regulations for small businesses based on the Senate Bill. Because the small business regulations were less complex, those would be done much more quickly. The DVBE regulations would be done close to March 2013. Mr. Mandell explained the DVBE regulations would take longer because they have not been updated in thirteen years.

Ms. Kammerer stated that she would forward a document to Mr. Mandell regarding the timelines for regulations, originally received from Director Klass. Ms. Toccoli stated that the end result by the DGS and the small business community should be how to make the timeline of regulations sooner than two years. She suggested the council look into how to speed up the process; though small businesses would probably believe it still would not be fast enough.

Consolidated Annual Reports

Mr. Mandell stated Council member Jerry Bircher submitted several questions to the DGS regarding the goals of the consolidated annual reports. The DGS had provided a response to those questions, which were provided in the council member packet. The

State of California reached a 24.67% participation goal, unfortunately due to one contract. Mr. Mandell stated the DGS was taking the FY 2011/12 participation numbers and would be going out with Director, Agency Secretary, Deputy Director and the Governor's staff to address issues with those departments who did not meet their small business goals.

Mr. Bircher stated the answers provided by the DGS were somewhat brief. He explained the council members need to be aware about what was going on without going through a public records request and also need to know what actions are being taken so that the council can help with it. Mr. Bircher explained it should not be an issue of people hitting their goal; but talking with those departments who did not meet the goal, because people were stating the DGS made it too hard. Mr. Bircher feels he was in the dark and did not know anything until he comes to the SBC meetings. He explained the Council was trying to make things better and want the DGS to succeed. Mr. Bircher requested that all information listed on his question sheet be readily available to the members.

Mr. Kammerer stated that small businesses were missing an opportunity to bid due to the Prison Industry Authority (PIA). Mr. Mandell stated that he could not comment regarding the PIA issue but would delegate to Council Co-Chair Jim Butler.

Mr. Mandell inquired regarding how many members would be interested in getting the information Jerry requested and have it readily available to the council. Mr. Bircher stated he would like to talk with Angel Carrera and Mr. Mandell to discuss issue more extensively.

SARA

Mr. Mandell thanked the Communications & Outreach (C&O) staff, whom helped make the event to honor the best advocates within the state, such a success. He encouraged council members to attend the events that the C&O participated in.

The press release about the State Agency Recognition Awards (SARA) was provided to the council in their packets. Mr. Mandell thanked Mr. Dryden, as the DVBE Alliance helped to sponsor the event; Council members Jerry Bircher, Ken Ashford, Aubry Stone, James Ashford and Marty Keller for being judges for the event.

For more information regarding this event, go to:

www.dgs.ca.gov/pd/Home/SARA2012.aspx

Review of New Action Items

- Provide email to Carol Loscutoff regarding upcoming statewide contracts.
- Provide a status update regarding the unbundling of MRO contract.
- Talk with Jim regarding PIA contracting issue.
- Provide council members pertinent information monthly.

Public Comment Period

No public comments.

Mr. Dryden explained he would be happy to host a committee to discuss how the SBC could have a more official capacity in how to move items and obtain information more quickly.

Ms. Cajas asked if there were any open positions on the SBC, which Mr. Mandell stated there were a few openings. Ms. Toccoli stated that she would hate to ask the DGS to hire more staff, but information should be disseminated to the council on a monthly basis to keep members stimulated.

Mr. Kammerer asked who the legislative contact for the Procurement Division was. Mr. Mandell stated it was currently Matt Bender; his previous position as the Food Contract contact was currently vacant.

Alternate Chair Eric Mandell adjourned the meeting at 2:50 pm.